

Merquin County Water District

Minutes of the Special Meeting
Of the Board of Directors
Tuesday, September 12, 2023

The Meeting of the Board of Directors of the Merquin County Water District called to order in regular session at 19684 Second Ave., Stevinson, California 6:00 p.m.

Present were, President Adam Azevedo, Vice President Freddy Oliviera, Director Danny Drumonde, Director Rick Jones, Director Phil Does.

MOTION APPROVING MINUTES of August 23, 2023

Moved by Director Danny Drumonde, seconded by Director Rick Jones approving minutes of August 23, 2023.

Motion Carried Unanimously

MOTION APPROVING LIST OF WARRANTS

Moved by Director Freddy Oliveria, seconded by Director Rick Jones approving the list of warrants \$211,357.45.

Vice President Freddy Oliveria stated motion made with pretense both Quality Well Drillers and Shannon Pump invoices are the same as the quote.

Motion Carried Unanimously

MOTION APPROVING CHECKING ACCOUNT EXPENDITURES
None

MOTION APPROVING DEBIT CARD EXPENDITURES

Moved by Director Phil Does, seconded by Director Freddy Oliviera approving Debit Card expenditures: August 29, 2023 for \$66.00 for postage stamps.

Motion Carried Unanimously

Correspondence

Merced County has requested all funds to go through Merced County for best finance practices. They have requested MCWD to get a credit card that will go through Merced County's account for the District.

DISCUSSION/ACTION: CHANGE INSURANCE UNDERWRITER

Presentation given via zoom by Fazio Glaucio Cota from Winton, Ireland, Strom, and Green explaining two options for insurance carriers, Allied World Assurance and JPrima.

	Allied World Assurance	JPRIMA	
Single Occurrence Liability Limit	\$1,000,000	\$1,000,000	
General Aggregate Insurance Limit	\$3,000,000	\$10,000,000	
Management Liability Limits per Occurrence	\$1,000,000	\$1,000,000	
Management Liability Limits Aggregate	\$3,000,000	\$10,000,000	
Management Liability Deductible	\$1,000	\$1,000	
Blanket Property Limit	\$284,675	\$284,675	
Property Deductible	\$1,000	\$1,000	
Public Official & Management Liability			
Wrongful Acts	\$1,000,000	\$1,000,000	per act
Employment Practices	\$1,000,000	\$1,000,000	per c
Employee Benefit Plans	\$1,000,000	\$1,000,000	er
Injunctive Relief	\$5,000	\$5,000	t
Aggregate Limit	\$3,000,000	\$10,000,000	per act
Business Auto Combined Single Limit	\$1,000,000	\$1,000,000	
Auto Deductible	\$1,000	\$1,000	
Excess Liability Limits per Occurrence	\$1,000,000	\$1,000,000	
Excess Liability Aggregate	\$1,000,000	\$1,000,000	
Annual Premium	\$12,360	\$11,742	
Minimum Commitment Period	1 year	until 4/1/2027	

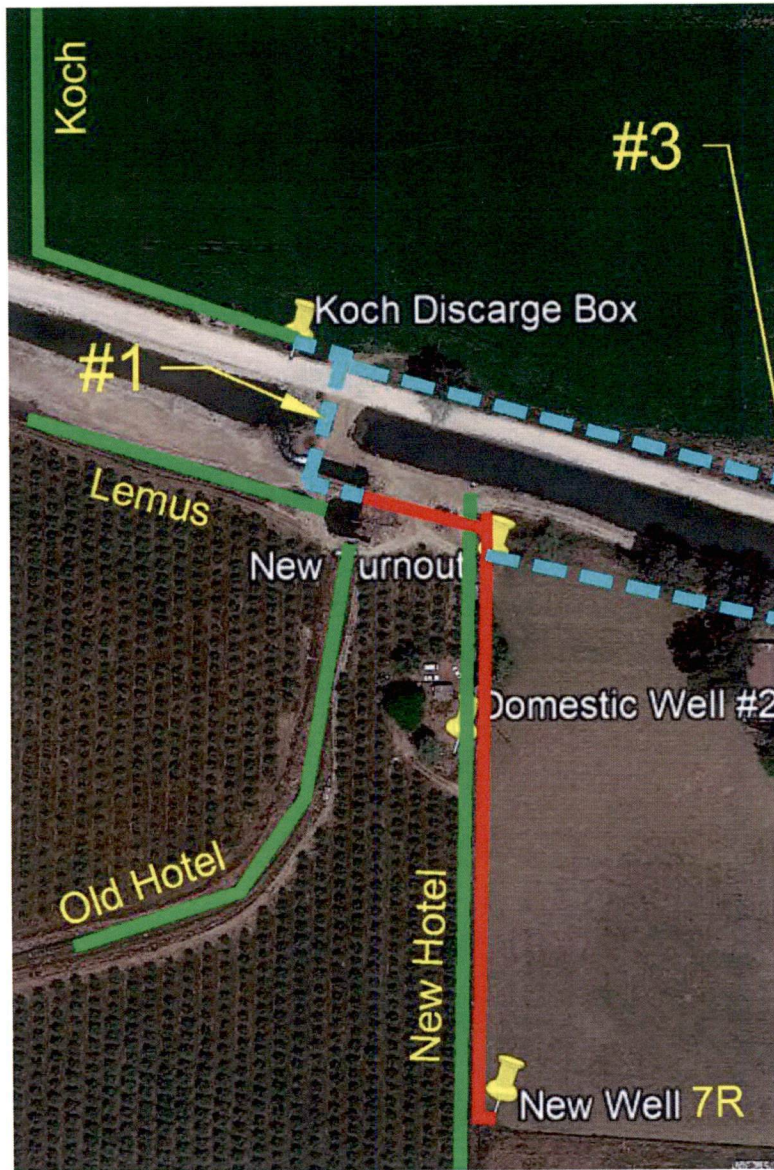
Motion accepting either Allied World Assurance as the new Insurance Underwriter

Moved by Director Rick Jones, seconded by Director Freddy Oliviera accepting Allied World Assurance as the new Insurance Underwriter.

Motion Carried Unanimously

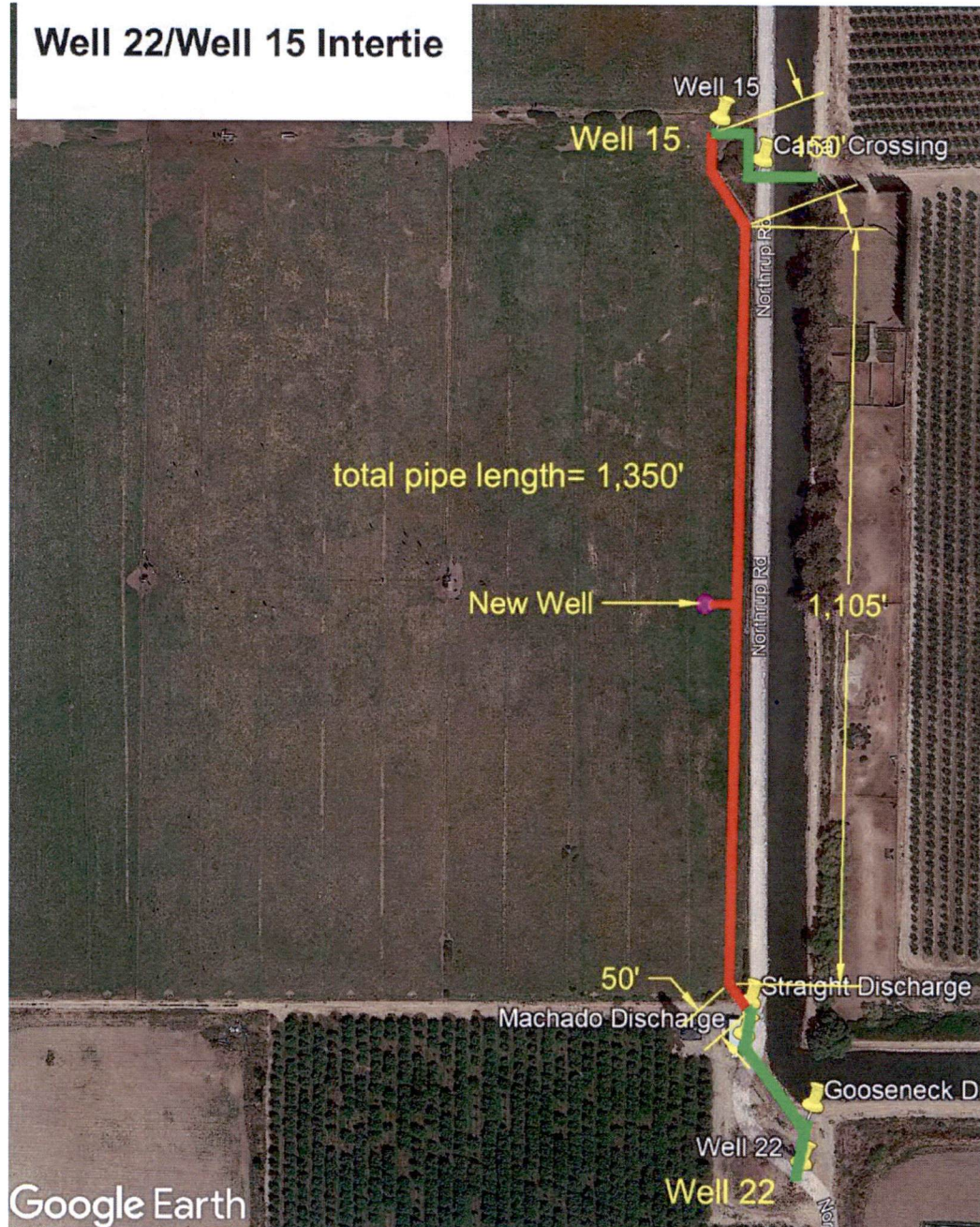
Civil Engineer Eric Swenson:

1. Discussion/Action: Capital Construction Projects for Winter of 2023-2024.
 1. Work on well 10R is ongoing.
 2. Potential projects for winter:
 - a. Eastside Canal crossing near head of Lemus Lateral.
 - b. New intertie pipeline from Well 22 to Well 15.
The District Engineer explained that Waterford Irrigation would be providing budget estimates for these projects before the next Board meeting. Board members decided to wait for the budget costs for these two projects before deciding.
2. Discussion Action: Well 7R Status Update. East Side Canal Crossing

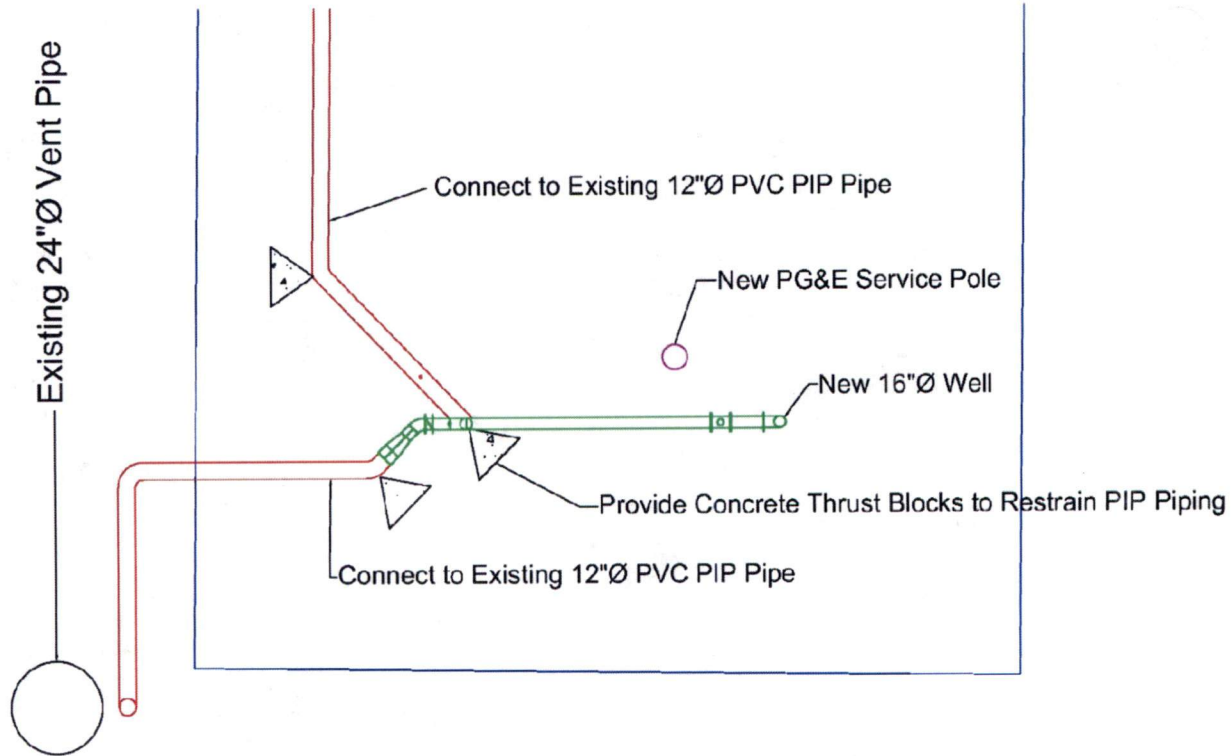


SWD has offered a Seven Year (7) agreement for the crossing that will be renewable.

Well 22/Well 15 Intertie



- ▶ Currently waiting for cost to install well, piping, and electrical from Shannon Pump.
- ▶ Performance of well was lower than hoped.
- ▶ Maximum developed flow approximately 1,500 gpm.
- ▶ Safe long term pumping rate is likely 1,200 gpm.
Well pumped 1,250 gpm @ 65 feet bgs



3. Discussion/Action: District office painting and exterior repair.

Two proposals for painting only have been obtained:

- a. Crown Painting \$18,900
- b. Mirage Painting \$14,950

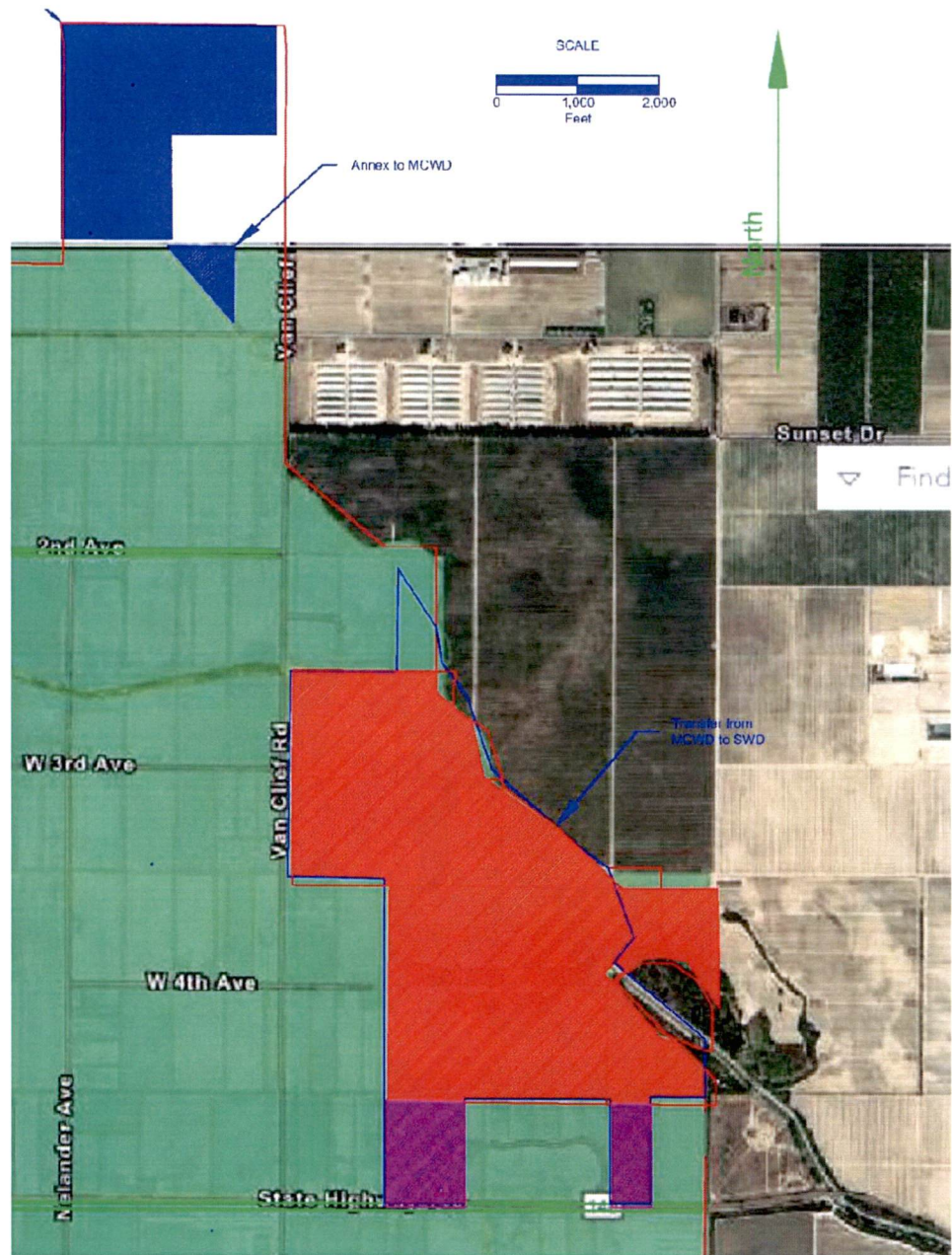
MCWD Board stated the MCWD personnel to do repairs and painting to District Office Building.

Motion Carried Unanimously

4. Discussion: MCWD District Boundary Reorganization, reduction in MCWD Sphere of Influence, and Annexation of New Property to within MCWD.

MCWD District Boundary Reorganization, reduction in MCWD Sphere of Influence, and Annexation of New Property to within MCWD.

- a. Boundary Reorganization to transfer 423 acres of land from MCWD to SWD. 29 of these acres are currently assessed and contain well 2 sites.
- b. Annexation of 12.3 acres (3 parcels).
- c. Both District boundary changes tentatively scheduled for Board action on Sept. 27th.



Proposed Annexation

- ▶ Fees by LAFCO to annex these properties would be \$2,700.
- ▶ In addition, there will be engineering fees from QK and legal fees for the creation of the Board Resolution.
- ▶ LAFCO anticipates taking 4 months to process the proposed application after submitted (early Feb. 2024?)
- ▶ The 3 landowners that have land proposing to be annexed have to agree to their inclusion into MCWD.

5. Discussion/Action: Establish selected parameters for 218 Water Rate Study.

- ▶ There are two important parameters that the Board needs to decide on for the Water Rate Engineer's Report to proceed:
 - Use of a blended water price or a tiered water price.
 - Whether the Engineer's Report should be for 4 years (ending in 2027) or 5 years (ending in 2028).

Water Usage by Quantity 2022

	Total Acre Feet	Total Acre Parcel	Ac
Total	18,297	6,229	2.1
Total AF < 2AF/Ac =	2,535		
Total Acres < 2AF/Ac=		1,789	
Total Acres > 2AF/Ac=		4,440	
0-2 AF/Ac used on 4,400 Ac=		8,880	
Total AF < 2AF/Ac =	11,415		

Actual and Estimated PG&E Costs to Pump Water

- ▶ Winter 2022/23 Standby \$5,000
- ▶ 2022: \$55.23/AF
- ▶ 2023: \$68.66/AF 24% Increase
- ▶ 2024: \$75.53/AF Estimated at 10% Increase/year.
- ▶ 2025: \$83.08/AF
- ▶ 2026: \$91.39/AF
- ▶ 2027: \$100.53/AF
- ▶ 2028: \$110.58/AF

Object Type	Budget Category	Object	Description	22	FY 23/24		FY 24/25	FY 25/26	FY 26/27	FY 27/28	
					Total	Requested	Proposed	Proposed	Proposed	Proposed	
Revenue	Taxes	91010	Property Taxes Current Secured	#	156,430	178,350	198,350	218,310	238,270		
		91011	Property Taxes Prior Secured	0	0	0	0	0	0		
		91020	Property Taxes Current Unsec	#	10,082	10,082	10,082	10,082	10,082		
		91030	Prop Taxes Delinquent Secured	#	33	0	0	0	0		
		91040	Property Taxes Prior Unsecured	#	271	0	0	0	0		
		91090	Prop Taxes Timber Yield/Other	0	0	0	0	0	0		
		91097	Prop Tax SB913 Supplemental	#	3,617	3,617	3,617	3,617	3,617		
		Taxes - Total				#	172,443	192,049	212,049	232,018	251,978
		Use of Money and Property				#	0	0	0	0	0
		Use of Money and Property - Total				#	0	0	0	0	0
Aid From Other Govt Agencies				#	1,080	1,080	1,080	1,080	1,080		
Aid From Other Govt Agencies - Total				#	1,080	1,080	1,080	1,080	1,080		
Charges for Current Services				0	150,000	0	0	0	0		
Charges for Current Services - Total				0	150,000	0	0	0	0		
Other Revenue				#	0	0	0	0	0		
97970				#	0	0	0	0	0		
97971				#	1,000,000	1,027,578	1,109,411	1,190,461	1,226,065		
97990				#	129,066	129,066	129,066	129,066	129,066		
97991				#	4,554	4,554	4,554	4,554	4,554		
Other Revenue - Total				#	1,133,620	1,161,198	1,243,031	1,294,081	1,360,705		
Revenue - Total				#	1,457,144	1,344,376	1,458,980	1,510,999	1,612,743		

Expenditure	Salaries & Benefits	10110	Salaries And Wages-Perm Emp	#	235,774	247,563	319,941	335,938	352,735		
		10111	Overtime	#	32,895	34,540	36,267	38,080	39,984		
		10150	Salaries And Wages Extra Help	#	0	0	0	0	0		
		10210	Retirement	#	22,080	23,814	30,756	32,294	33,908		
		10220	Fica	#	16,833	17,675	22,827	23,988	25,107		
		10230	Medicare Tax	#	3,937	4,134	5,339	5,696	5,886		
		10300	Employee Group Insurance	#	32,829	34,470	44,518	46,744	49,081		
		10350	Unemployment Insurance	#	937	984	1,271	1,334	1,401		
		10360	Workers Compensation Insurance	#	17,780	18,669	24,112	25,317	26,583		
		Salaries & Benefits - Total				#	363,668	381,649	485,030	609,281	634,745
		Services & Supplies	20600	Communications	#	5,000	5,000	5,000	5,000	5,000	
			21000	Insurance-Other	0	12,400	13,020	13,671	14,355	15,072	
			21200	Maintenance-Equipment	#	40,729	41,000	30,000	30,000	35,000	
			21300	Maint-Structure, Improv & Gr	#	99,000	75,000	75,000	53,000	60,000	
			83290	Well/Pump Installation (2)		300,000	150,000	150,000	150,000	150,000	
			83291	Pipeline Installation		50,000	60,000	65,000	35,000	25,000	
21700	Office Expense-General		#	12,000	12,600	13,230	13,892	14,586			
21800	Professional & Special Svcs		#	80,000	75,000	65,000	55,000	60,000			
22309	Spec Dept Exp-Board Fees		#	5,000	5,250	5,513	5,789	6,078			
22328	Spec Dept Exp-Water		#	174,010	191,411	210,553	231,698	254,769			
22600	Transportation & Travel		#	28,000	20,000	20,000	20,000	20,000			
22600	Utilities	#	282,480	324,246	357,433	393,176	432,493				
Services & Supplies - Total				#	1,088,619	972,527	970,059	1,006,818	1,077,998		
Expenditure - Total				#	1,452,287	1,354,176	1,455,089	1,516,099	1,612,743		

DRAFT Water Rate Comparison for Discussion – Maximum Rates

DRAFT

Water Year	Tiered Pricing/AF		Blended/AF
	0-2 Feet	2+ Feet	
2024	\$ 50.00	\$62.12	\$ 54.57
2025	\$ 50.00	\$66.11	\$ 56.08
2026	\$ 50.00	\$77.95	\$ 60.54
2027	\$ 50.00	\$83.89	\$ 62.78
2028	\$ 50.00	\$94.84	\$ 66.91

Motion approving Water Pricing System

Board provided guidance to District Engineer to use 5 year projections in establishing proposed new water rate.

Moved by Director Rick Jones, seconded by Director Phil Dores approving Two tier water pricing system.

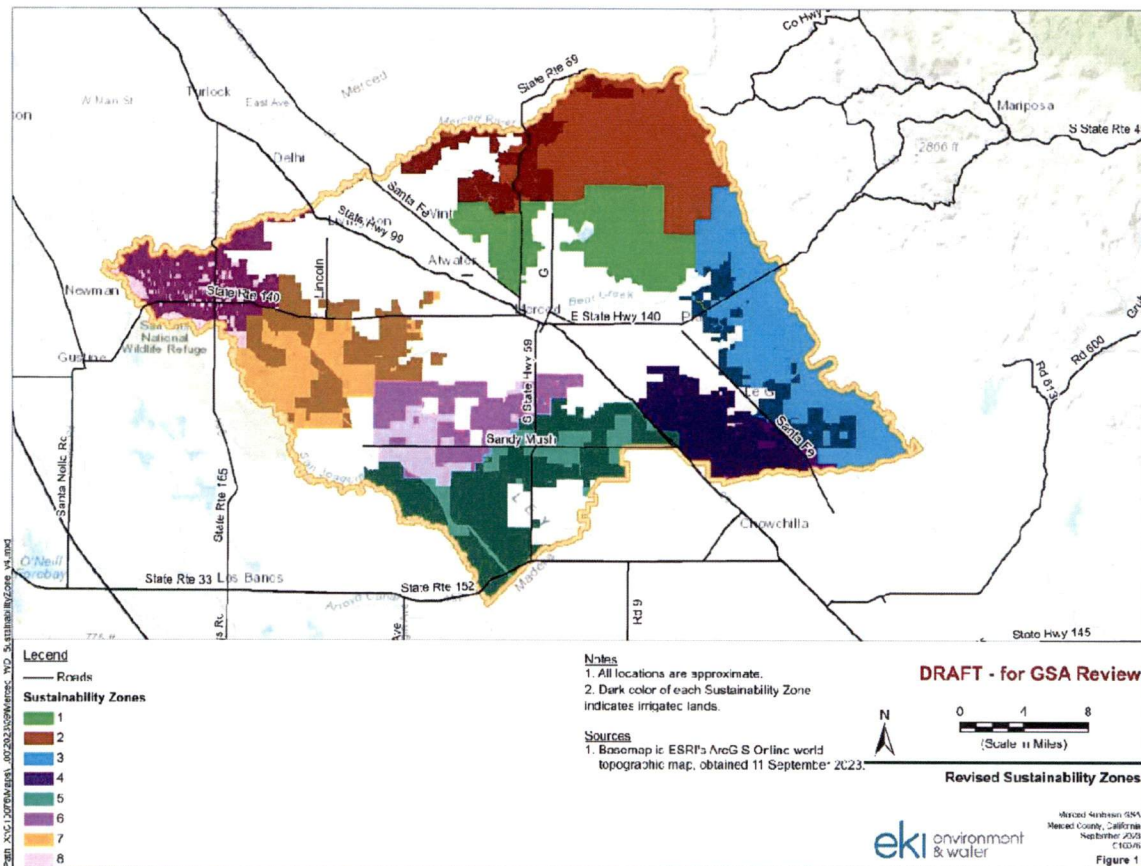
Motion Carried Unanimously

6. Discussion: Discussion of proposed action on September 14th MSGSA meeting.

Proposed Action for September 14th MSGSA meeting

- Adoption of new Sustainability Zone Boundaries.

Use of supplemental groundwater data in groundwater allocation analysis



MATTERS FOR THE GOOD OF THE DISTRICT

Tim, the renter from Mr. Lessel's property attended the meeting inquiring when the culvert under the driveway will be completed. Jimmy reported Dusty from AIPro stated if the landowner bought the pipe, he would donate his time. There were a couple situations that presented themselves that has held up the repairs. Jimmy reported that hopefully in the next week it will be completed.

Mr. Kelley reported on August 27, 2023 there was an issue with an Eastside Canal near the head of the Highline lateral. Within a half hour circulated water had washed a section of the canal bank out.

Machado Backhoe, their crew and all Machado's equipment, as well as Micheal Brasil and others responded with exceptional service.

OFFICE

Bills were sent to Merced County.

Crystal stated she is waiting for David Farnsworth to start the Audit.

A couple vendors had not received timely payment from Merced County, Crystal contacted Merced County, they resent the payments.

Crystal inquired if the board members had reviewed the draft for the Employee Handbook.

Maintenance

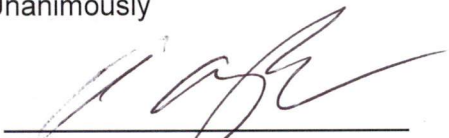
Jimmy reported the water demands are less than in the past.

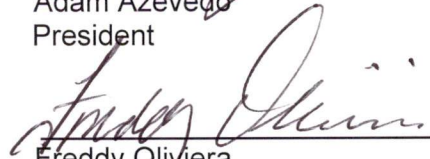
Sprole pipeline is leaking-The Board elected to patch the pipeline. The repair costs will be billed back to River Rock.

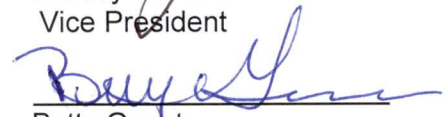
MOTION TO ADJOURN

Moved by Director Freddy Oliviera, seconded by Director Phil Dores to Adjourn.

Motion Carried Unanimously


Adam Azevedo
President


Freddy Oliviera
Vice President


Betty Guest
Secretary